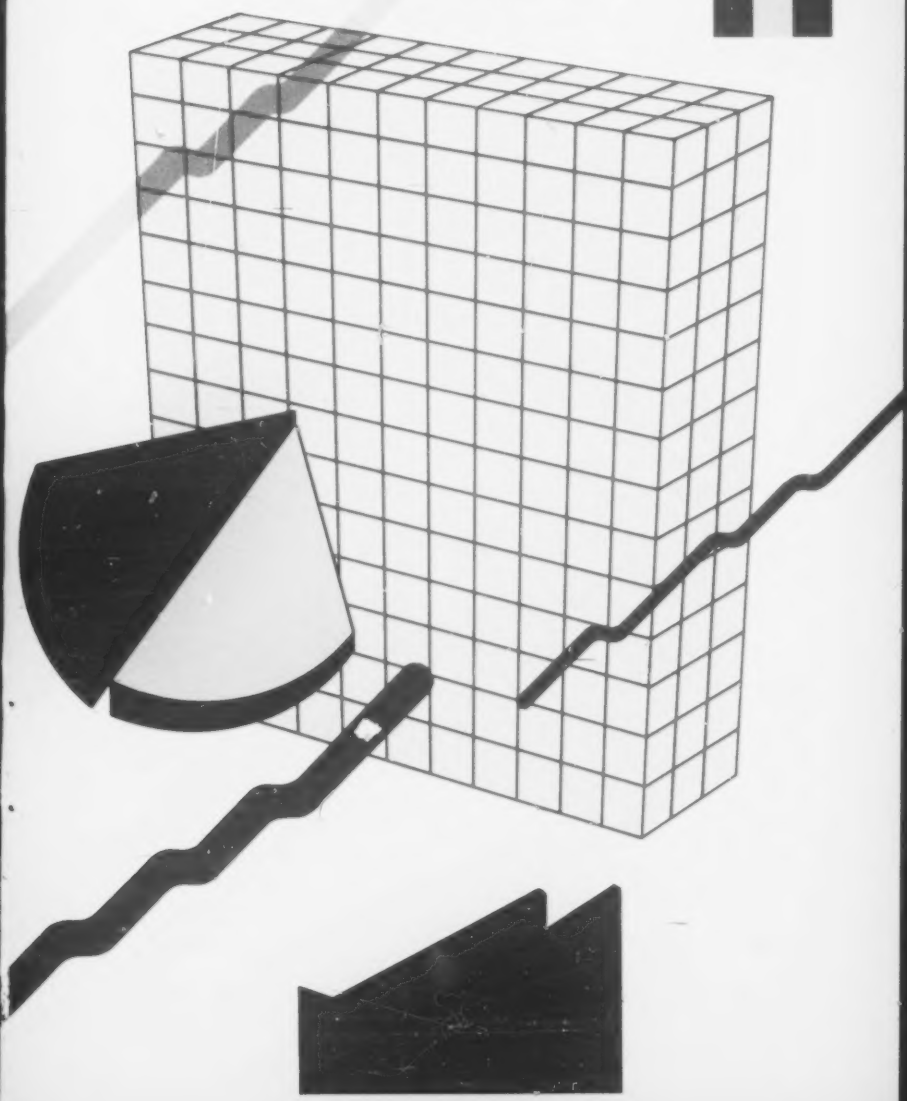
A8789-14 5/89

RADIO FACTS FOR ADVERTISERS

1989
1990



Radio Advertising Bureau, Inc., 1989

1989 RADIO FACTS

1989-1990

Radio Facts is a comprehensive, statistical overview of the commercial radio industry in the United States, compiled by the Radio Advertising Bureau (RAB), the sales and marketing arm of the industry representing commercial stations, networks, and station representatives. **Radio Facts,** now in its 29th edition, is widely considered the definitive source for information about radio in the United States. This data is designed for easy use in making advertising decisions.

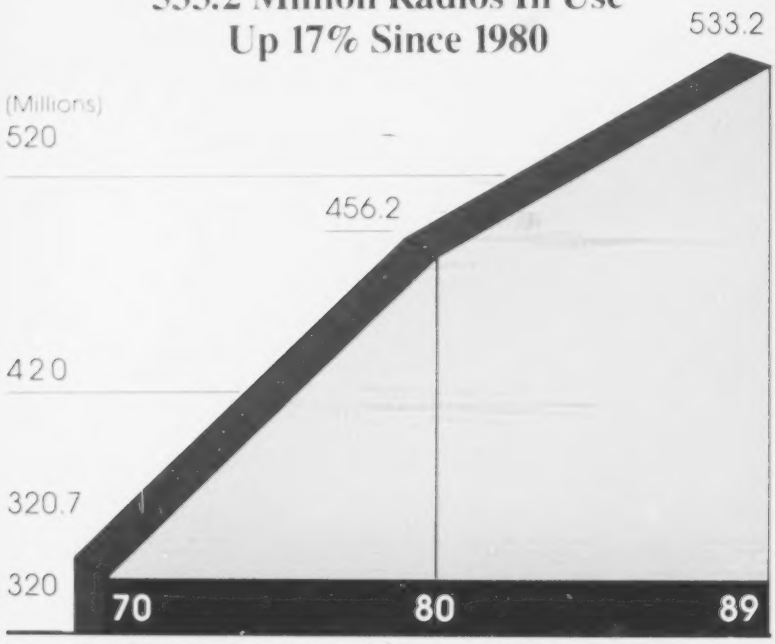
The latest available data from many sources can be used to:

- Get a perspective on Radio's value as a marketing tool.
- Examine trends in radio use and growth.
- Demonstrate radio's strengths relative to other advertising media.
- Orient professional sales, marketing or advertising people to radio.

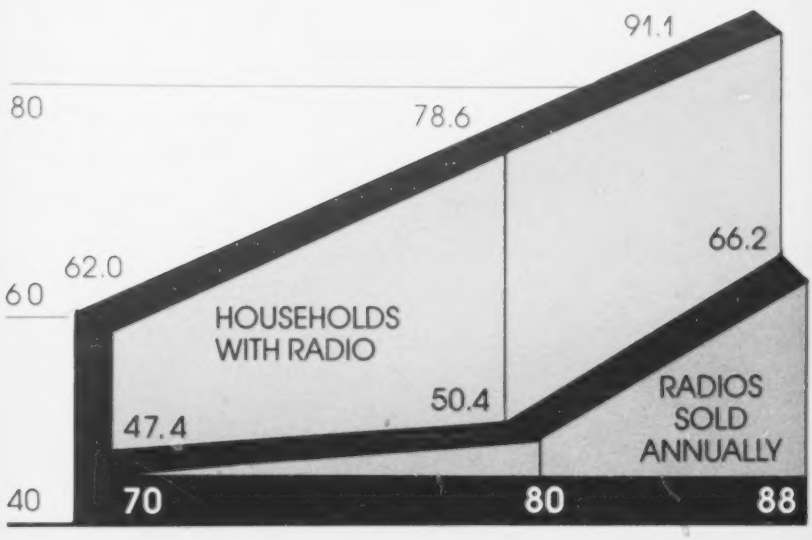
© 1989 RAB

RADIO 1989
FACTS 1990

533.2 Million Radios In Use
Up 17% Since 1980



Radio Sales Up 31% And Households With Radio Up 17% Since 1980



Radio Is In Every Home

5.6 radios per household
99% of all households have radios
343 million radio sets operate in homes
$2.66 billion was spent on new radios in 1988
125 million battery-operated radios are in use
78% of households have a battery-operated radio
38.8 million battery-operated radios were sold in 1988
79% of in home radios have an analog dial and
21% have a digital dial.

Number of Radios By Location

(Millions)

Kitchens **46.2**
Living Rooms **63.3**
Dining Rooms **13.3**
Bedrooms **172.3**
Bathrooms **14.7**
Other Rooms **32.1**
Cars **131.4**
Trucks/Vans/Recreational Vehicles **37.8**
At Work **20.8**

Percent Of Rooms Which Have Radios

67% of Living Rooms
58% of Bedrooms
50% of Kitchens
38% of Other Rooms
22% of Dens/Family Rooms
9% of Dining Rooms
7% of Bathrooms

Each Day Radio Reaches Almost 80% Of Americans

Persons 12+	77.9%
Teens 12-17	83.4%

Ages	18+	18-24	25-34	35-49	50+
Men	78.9%	83.2%	83.5%	80.6%	71.8%
Women	75.7	81.9	79.6	79.0	68.5

Adults 18+ in households of	1-2 Persons	74.6%
	3-4 Persons	79.0
	5+ Persons	79.8

Each Week Radio Reaches 96% Of All Americans

Persons 12+	96.0%
Teens 12-17	99.5%

Ages	18+	18-24	25-34	35-49	50+
Men	96.3%	99.0%	98.7%	97.3%	92.5%
Women	94.8	98.1	98.0	97.2	89.8

Adults 18+ in households of	1-2 Persons	93.7%
	3-4 Persons	97.0
	5+ Persons	96.9

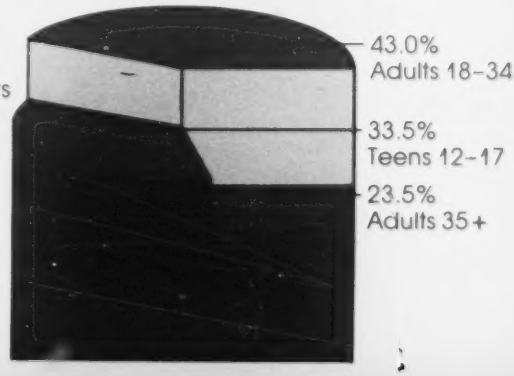
Radio Reaches 79% Of Americans At Home Every Weekday

Mon.-Fri.	Persons 12+	Men 18+	Women 18+	Teens 12-17
24 Hrs.	79%	72%	81%	97%
6 AM-10 AM	61	52	66	79
10 AM-3 PM	35	27	41	40
3 PM-7 PM	39	31	40	69
7 PM-Mid.	39	33	37	77
Mid.-6 AM	31	28	31	42

21.0 Million Walk-along Users Listen

- 84.3% of walk-alongs include radios.
- 13.2 million walk-along sets sold with radio, 1986-88.

Age Profile of Walk-Along Owners



Consumers Listen To Car Radio

86% of all car commuters are reached weekly by radio.

97% of all cars used for commuting have radios.

169.3 million vehicle radios were in use in 1988.

98% of fleet and rental cars have radios.

82% of all adults have drivers' licenses.

95% of all automobiles have radios.

99% of used cars have radios.

82% of all travel is by car.

88% of all auto radios are AM/FM

65% of all auto radios have an analog dial and

35% have a digital dial.

68% of adults listened to the radio every time they used their car during their last 10 car trips.

Percent Driving Time Radio Is On

Adults who:	Use Car	Adults 18+	Men 18+	Women 18+
Commute to work	87%	97%	97%	97%
Shop for groceries	89	78	78	78
Shop other retail	88	81	81	80
Dine out: Fast Food	80	76	77	75
Dine out: Restaurant	84	76	79	74

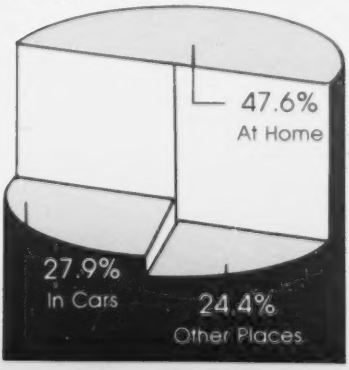
3 Out Of 4 Adults Are Reached Weekly By Radio In Their Cars

Percent Reached In Cars (Mon.-Sun.)

	Adults 18+	Men 18+	Women 18+
24 Hrs.	77%	81%	73%
6 AM-10 AM	55	63	49
10 AM-3 PM	57	59	55
3 PM-7 PM	61	65	57
7 PM-Mid.	37	40	34
Mid.-6 AM	14	19	9

Radio Reaches Consumers Everywhere

Share Of Radio Audience By Location (Mon.-Sun., 24 Hrs.)
Persons 12+



	At Home	In Cars	Other Places
Teens 12-17	67.6%	16.8%	15.4%
Men 18+	35.8	30.8	33.3
Women 18+	55.6	19.6	24.8

Radio Reaches Working People

61% of adults have a radio available at work.

Of these:

41% have a company-owned radio available.

57% of them own their work radio.

Radio Availability At Work By Age And Selected Demographic Characteristics

Men 18+	59%				
Women 18+	63%				
Adults	18+	18-34	35-44	45-54	55-64
	61%	66%	58%	55%	53%

58% Homeowners

59% High Mileage Drivers

53% Prof./Managerial Men

63% Major Credit Card Users

61% Multiple Car Households

64% Full-Time Working Women

57% College Graduate Or More

59% $30,000+ Household Income

57% $50,000+ Household Income

On Weekdays (M-F) 95.3% Of Americans Listen To Radio For 3 Hrs. and 21 Minutes

R = Percent Weekly Reach (Mon.-Fri., 24 Hrs.)
T = Average Daily Time Spent Listening

Persons 12+	R 95.3 T 3:21	Teens 12-17	R 99.0 T 2:30

Ages	18+	18-34	18-49	25-54	35+
Men	R 95.6 T 3:35	R 98.5 T 3:56	R 97.7 T 3:48	R 97.2 T 3:49	R 93.7 T 3:19
Women	R 94.1 T 3:20	R 97.8 T 3:25	R 97.3 T 3:25	R 96.8 T 3:23	R 91.9 T 3:18

Each Day (M-Su) Most Americans Listen To Radio For Three Hours

(Mon-Sun., 24 Hrs.)

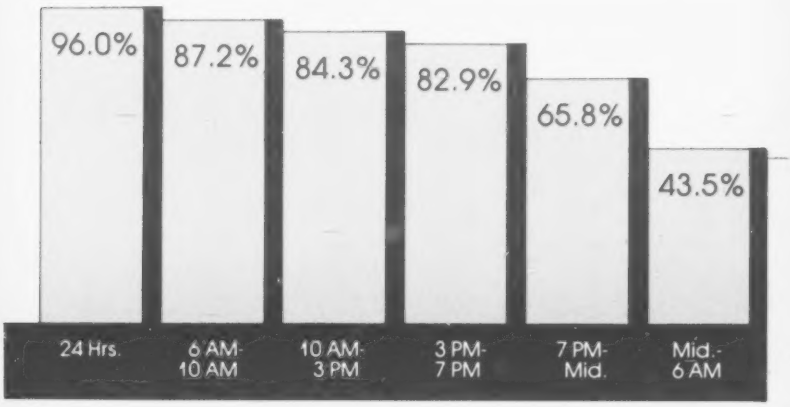
	Daily Time Spent Listening
Persons 12+	3:00
Teens 12-17	2:23

Ages	18+	18-24	25-34	35-49	50+
Men	3:10	3:19	3:32	3:11	2:44
Women	3:01	3:11	2:59	3:03	2:58

Adults in households of	1-2 Persons	3:02
	3-4 Persons	3:05
	5+ Persons	3:12

Percent Reached By Daypart

(Persons 12+, Mon.-Sun.)



Consumers Reached By Daypart

(Mon.-Sun.)	Men 18+	Women 18+	Teens 12-17
24 Hrs.	96.3%	94.8%	99.5%
6 AM-10 AM	88.0	85.8	90.4
10 AM-3 PM	83.7	84.6	85.5
3 PM-7 PM	83.3	80.7	91.0
7 PM-Mid.	64.0	62.4	88.5
Mid.-6 AM	45.5	39.4	53.8

2 Out Of 3 Americans Listen To Radio During TV Prime Time

R = Percent Evening Reach (Mon-Sun, 7PM-Mid.)
T = Weekly Time Spent Listening

Persons 12+		R 65.8 T 4:17	Teens 12-17		R 88.5 T 5:14
Ages	18+	18-34	18-49	25-54	35+
Men	R 64.0 T 4:22	R 74.6 T 4:34	R 71.1 T 4:25	R 67.1 T 4:10	R 56.9 T 4:10
Women	R 62.4 T 3:55	R 75.0 T 3:53	R 71.1 T 3:46	R 66.5 T 3:32	R 55.0 T 3:55

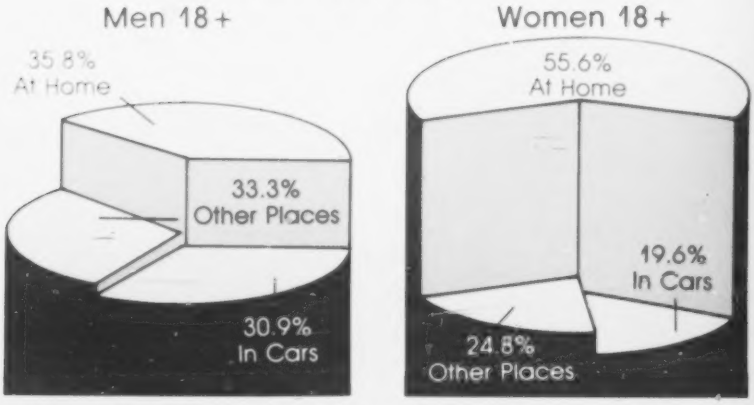
43.5% of Americans Listen After Midnight

R = Percent Post-Mid. Reach (Mon-Sun, Mid-6 AM)
T = Weekly Time Spent Listening

Persons 12+		R 43.5 T 3:23	Teens 12-17		R 53.8 T 2:46
Ages	18+	18-34	18-49	25-54	35+
Men	R 45.5 T 3:32	R 53.5 T 3:45	R 51.0 T 3:37	R 48.4 T 3:34	R 40.1 T 3:22
Women	R 39.4 T 3:25	R 45.5 T 3:07	R 43.7 T 3:05	R 41.1 T 3:02	R 35.8 T 3:38

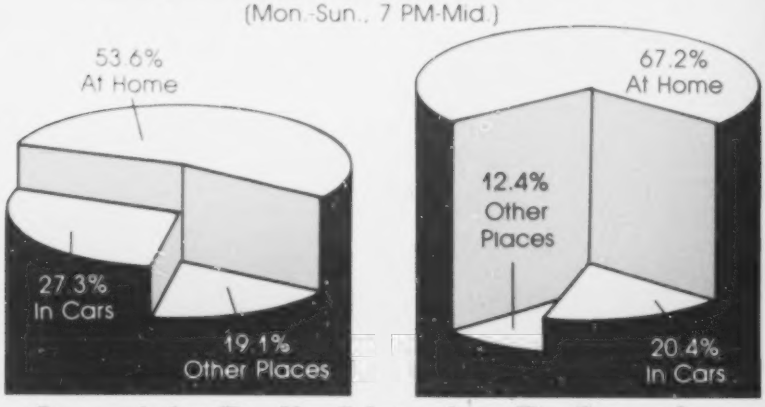
Total Radio Listening By Location

(Mon.-Sun., 24 Hrs.)



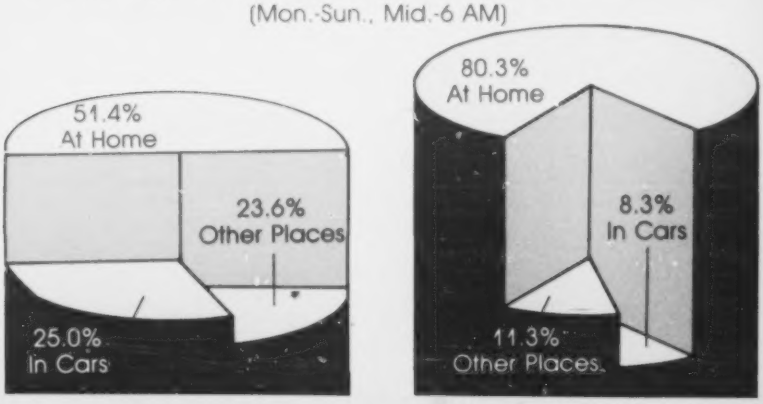
Evening Radio Listening By Location

(Mon.-Sun., 7 PM-Mid.)



Overnight Radio Listening By Location

(Mon.-Sun., Mid.-6 AM)



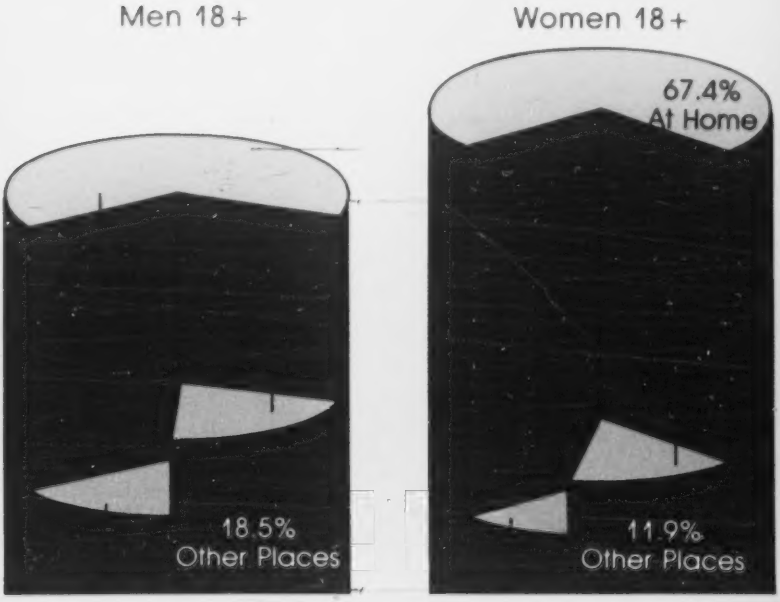
80.5% Of Americans Listen Over 5 Hours Each Weekend

R = Percent Weekend Reach (Sat.-Sun., 24 Hrs.)
T = Average Daily Time Spent Listening

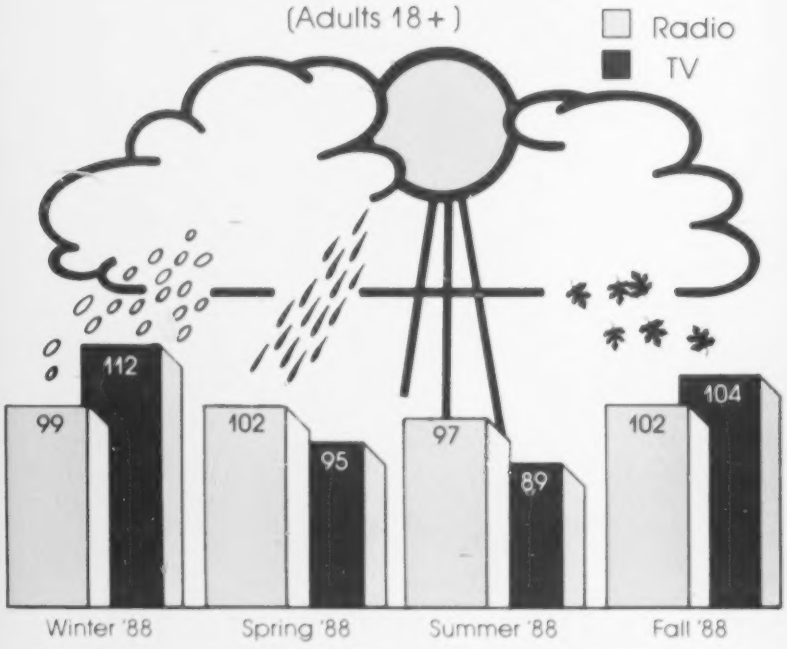
Persons 12+		R 80.5 T 5:18	Teens 12-17		R 88.9 T 4:47
Ages	18+	18-34	18-49	25-54	35+
Men	R 80.1 T 5:14	R 84.5 T 5:16	R 83.0 T 5:16	R 81.6 T 5:14	R 77.0 T 5:12
Women	R 79.1 T 5:30	R 83.8 T 5:08	R 82.7 T 5:10	R 81.0 T 5:11	R 76.4 T 5:44

Weekend Radio Listening By Location

(Sat.-Sun. 24 Hrs.)



Seasonal Listening/Viewing Index



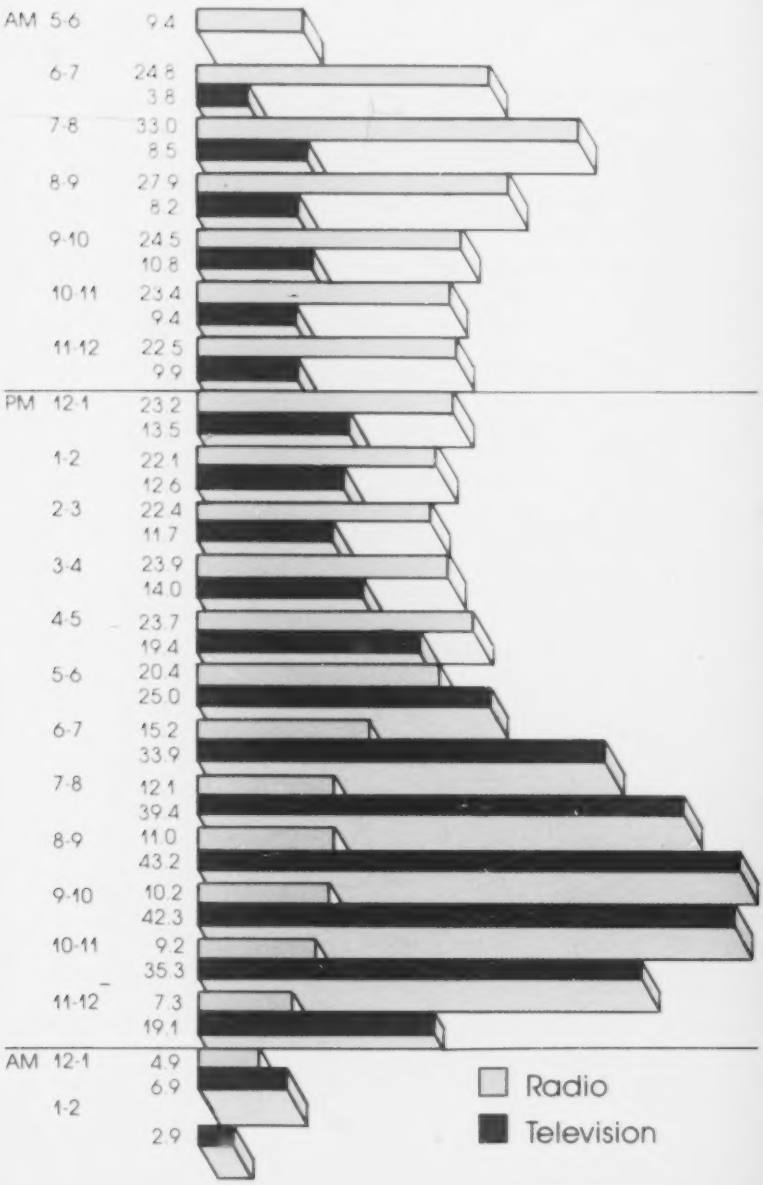
Summer And Winter, Radio Reaches Consumers Wherever They Are

Persons 12+
Radio Listening By Location/Daypart

	Summer '88		Winter '88	
	Home	Away	Home	Away
Mon.-Sun. 6 AM-Mid.	53.3%	46.6%	54.5%	45.2%
Mon.-Fri. 6-10 AM/3-7 PM	47.5	52.5	50.8	44.7
Mon.-Fri. 10 AM-3 PM	35.9	64.1	36.5	63.5

Radio Listening Is Greater Than TV Viewing From 5 AM 'Till 5 PM

Fall 1988—Five Market Composite—Persons 12+



Radio Reaches Everyone

R=Percent Weekly Reach (Mon.-Sun., 6 AM-Mid.)

T=Average Daily Time Spent Listening

Men

18-34	25-54	35-64
R 96 T 3:36	R 96 T 3:27	R 95 T 3:17

Women

18-34	25-54	35-64
R 97 T 3:26	R 96 T 3:17	R 95 T 3:19

12+	Teens	Men 18+	Women 18+
R 95 T 3:19	R 95 T 2:35	R 94 T 3:24	R 95 T 3:24

Radio Reach By Daypart

M=% Men Reached W=% Women Reached

Mon.-Fri.	Teens 12-17	18+	18-34	25-54	35-64
6 AM-10 AM	79	M 83 W 84	M 84 W 86	M 86 W 87	M 84 W 86
10 AM-3 PM	48	M 69 W 75	M 71 W 78	M 67 W 74	M 65 W 73
3 PM-7 PM	78	M 77 W 76	M 82 W 85	M 81 W 81	M 78 W 76
7 PM-Mid.	77	M 55 W 52	M 65 W 64	M 55 W 52	M 49 W 47

Weekend	Teens 12-17	18+	18-34	25-54	35-64
6 AM-Mid.	82	M 78 W 81	M 81 W 84	M 78 W 80	M 77 W 79

Radio Reaches Almost All Black Persons

=Percent Weekly Reach (Mon.-Sun., 6 AM-Mid.)

T =Average Daily Time Spent Listening

Men

18-34	25-54	35-64
T 3:59	T 4:00	T 3:49

Women

18-34	25-54	35-64
T 3:50	T 3:52	T 3:28

12+	Teens	Men 18+	Women 18+
T 3:49	T 2:58	T 3:52	T 3:58

Blacks Listen Throughout The Week

=% Men Reached W =% Women Reached

Mon.-Fri.	Teens 12-17	18+	18-34	25-54	35-64
6 AM-10 AM	82.6	W 87.9	W 88.1	W 89.8	W 88.1
10 AM-3 PM	41.1	W 69.9	W 73.0	W 68.5	W 70.8
3 PM-7 PM	76.5	W 73.1	W 78.8	W 74.6	W 75.7
7 PM-Mid.	80.3	W 64.2	W 75.0	W 63.0	W 51.0

Weekend	Teens 12-17	18+	18-34	25-54	35-64
6 AM-Mid.	87.8	W 84.7	W 87.0	W 85.1	W 86.5

Radio Reaches Hispanics

R=Percent Weekly Reach (Mon.-Sun., 6 AM-Mid.)

T=Average Daily Time Spent Listening

Men		
18-34	25-54	35-64
R 96.9 T 3:43	R 95.7 T 3:36	R 94.3 T 3:33

Women		
18-34	25-54	35-64
R 98.2 T 3:52	R 97.3 T 3:45	R 93.3 T 3:47

12+	Teens	Men 18+	Women 18+
R 96.5 T 3:38	R 96.7 T 2:55	R 97.0 T 3:39	R 97.3 T 3:49

Hispanics Listen Throughout The Week

M=% Men Reached W=% Women Reached

Mon.-Fri.	Teens 12-17	18+	18-34	25-54	35-64
6 AM-10 AM	78.9	M 83.4 W 87.0	M 84.1 W 88.1	M 82.2 W 88.4	M 80.7 W 84.5
10 AM-3 PM	41.9	M 64.3 W 76.4	M 74.4 W 78.7	M 69.6 W 74.3	M 67.0 W 70.9
3 PM-7 PM	83.6	M 70.3 W 76.8	M 81.9 W 84.4	M 78.4 W 76.4	M 76.8 W 69.2
7 PM-Mid.	84.4	M 51.4 W 55.9	M 65.3 W 64.6	M 54.6 W 53.8	M 48.4 W 47.5

Weekend	Teens 12-17	18+	18-34	25-54	35-64
6 AM-Mid.	86.7	M 74.0 W 84.3	M 81.8 W 87.6	M 81.5 W 87.1	M 81.2 W 78.8

Radio Reaches Upscale Audiences

R = Percent Weekly Reach (Mon.-Sun., 24 Hrs.)
T = Average Daily Time Spent Listening

Household Income	Men 18+	Women 18+
$40,000+	R 97.3 T 3:07	R 96.0 T 2:50
$30,000-$39,999	R 97.0 T 3:20	R 96.0 T 2:59
$20,000-$29,999	R 97.0 T 3:11	R 95.2 T 3:12

Educational Level	Men 18+	Women 18+
Att./Grad. College	R 97.3 T 3:07	R 96.3 T 2:56
High School Grad.	R 96.5 T 3:19	R 95.2 T 3:05

Employment	Women 18+
All Working Women	R 97.4 T 3:15
Full-Time	R 97.4 T 3:19
Part-Time	R 97.3 T 2:58

Radio Delivers Reach And Frequency

In all size markets buying only a few stations, radio delivers big reach and high frequency.

R = Percent Reach = Frequency G = Gross Rating Points

Market Rank*	One Week	Four Weeks
1-10	R 33.1	R 62.7
	G 74.2	G 297.3
11-25	R 46.2	R 77.7
	G 119.0	G 476.2
26-50	R 41.9	R 71.2
	G 108.3	G 433.4
51-75	R 40.3	R 70.3
	G 99.4	G 397.3
76-100	R 48.0	R 76.1
	G 138.2	G 553.2
101-150	R 48.5	R 73.4
	G 157.8	G 631.4
151-200	R 47.3	R 78.9
	G 129.9	G 519.3
200+	R 60.9	R 89.6
	G 186.9	G 747.6

* Single selected market within each group; 3 stations, 18 spots per week on each. Fall 1988 Arbitron MSA, Mon.-Sun., 6 AM-Mid. based on Adults 18+.

Describing a radio station's audience using the average quarter hour rating (the average audience for all the ¼ hours in the time period), neglects the Cume which is the circulation of the station or the number of different people who tune in weekly.

Although the AQH numbers could be relatively small, the reach developed by only 3 stations running 18 spots/week on each is significantly higher. In the markets shown, stations develop strong impact in terms of reach and frequency. More stations and more spots will increase radio's advertising impact.

Radio Reaches Light TV Viewers

(Time Spent Mon.-Sun. 24 Hrs.)

TV Viewing Quintiles	Adults 18+	
	TV	Radio
Very Heavy	7:26	3:05
Heavy	4:21	3:14
Moderate	3:02	3:32
Light	1:56	3:29
Very Light	0:45	3:29

Each Day All TV Viewers Listen To Radio

(Time Spent Mon.-Sun. 24 Hrs.)

TV Viewing Quintiles	Men 18+		Women 18+	
	TV	Radio	TV	Radio
Very Heavy	6:57	3:08	7:54	3:02
Heavy	3:57	3:39	4:40	2:53
Moderate	2:48	3:44	3:16	3:21
Light	1:45	3:41	2:04	3:20
Very Light	0:40	3:44	0:51	3:14

Radio Reaches Light Users Of Other Media

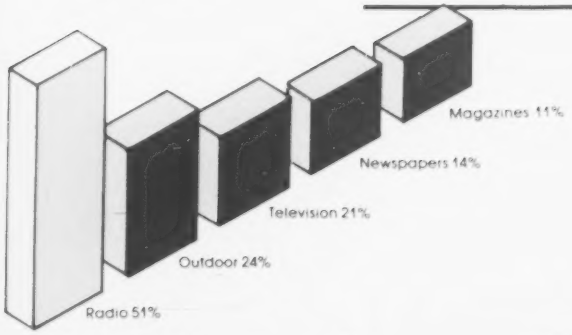
Light Users Of:	Percent of Population	Percent of Total Viewing/ Reading	Time Spent With Medium	Time Spent With Radio
Adults 18+				
TV	38%	12%	1:07	3:10
Newspapers	50	13	0:11	2:38
Magazines	69	15	0:05	2:38
Men 18+				
TV	42%	14%	1:07	3:14
Newspapers	47	10	0:11	2:59
Magazines	69	15	0:06	2:51
Women 18+				
TV	35%	10%	1:06	3:05
Newspapers	53	17	0:11	2:22
Magazines	70	14	0:05	2:25

Radio Reaches Consumers Closest To Largest Purchase Of Day

Percent Reached By Media Within One Hour Of Day's Largest Purchase

	Men	Women
Radio	56%	47%
Television	23	20
Newspapers	14	14
Magazines	10	11
Outdoor	22	26

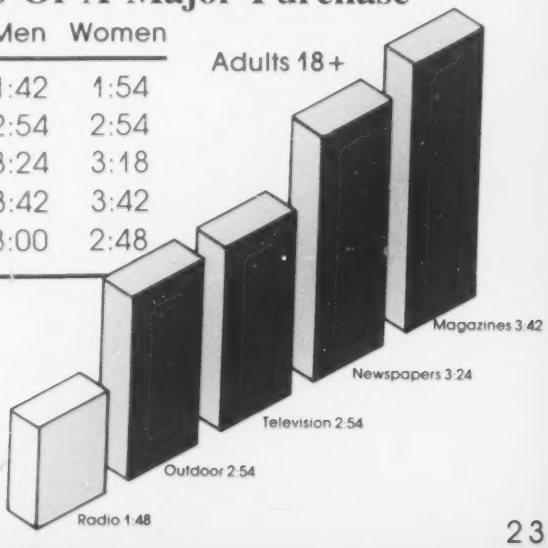
Adults 18+



Radio Reaches Consumers Within 2 Hours Of A Major Purchase

	Men	Women
Radio	1:42	1:54
Television	2:54	2:54
Newspapers	3:24	3:18
Magazines	3:42	3:42
Outdoor	3:00	2:48

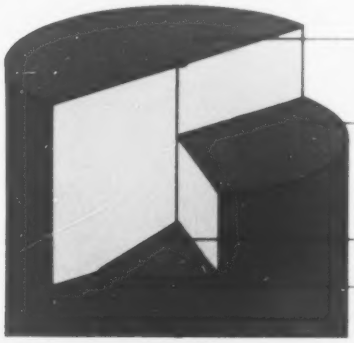
Adults 18+



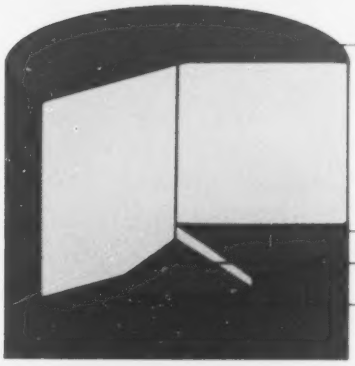
Consumers Spend More Time With Radio During Key Shopping Hours

Share-Of-Time Spent Daily 6 AM-6 PM
With Each Medium

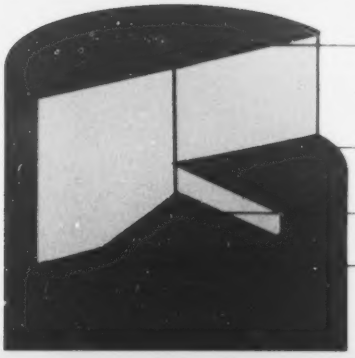
Adults 18+



HH Income
$50,000+



College
Graduates

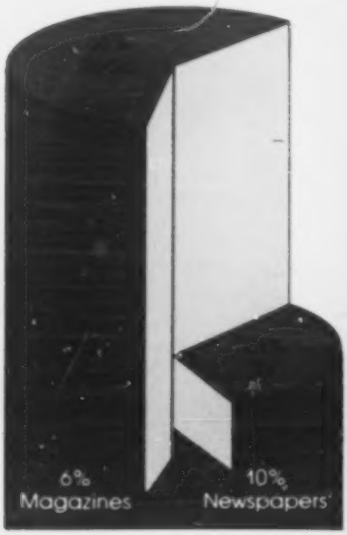


Prof./Mgrl. Men, Working Women Spend More Time With Radio

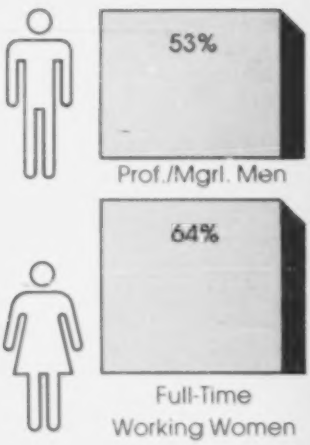
(6 AM-6 PM)

Prof./Mgrl. Men

Full-Time Working Women



Have Radio At Work

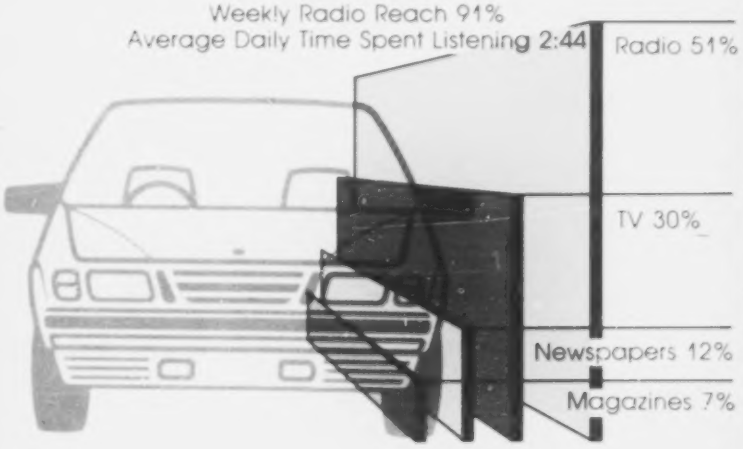


Share-Of-Time: Radio Leads Other Media Among Key Product Users

During Prime Shopping Hours (6 AM-6 PM)

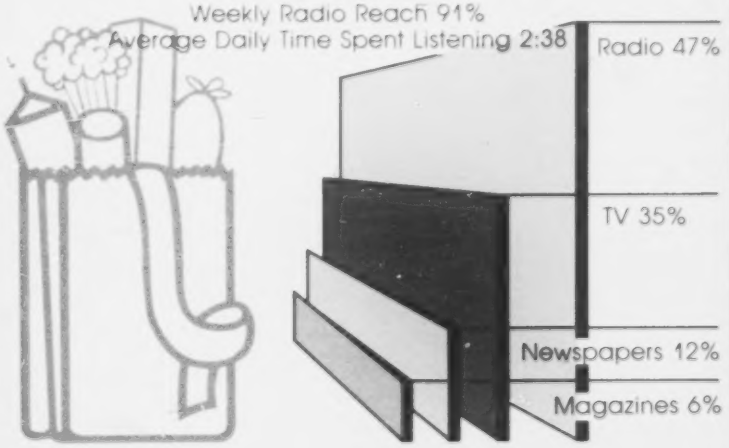
New Car Buyers

Weekly Radio Reach 91%
Average Daily Time Spent Listening 2:44



Heavy Grocery Shoppers

Weekly Radio Reach 91%
Average Daily Time Spent Listening 2:38



Americans Are More Satisfied With Radio

Asked about satisfaction with sources of information and entertainment radio won the highest rating

Overall Satisfaction (Mean Rating)

	Radio	TV	News-papers	Maga-zines
Adults 18+	3.63	3.44	3.38	3.28
Men 18+	3.58	3.40	3.27	3.16
Women 18+	3.66	3.47	3.46	3.36
Income $45K +	3.51	3.22	3.45	3.49
Mgr./Adm./Prof.	3.43	3.33	3.36	3.34
College Grads. +	3.53	3.14	3.40	3.43

Very Satisfied with Radio

(Highest Two of Five Categories)

	Radio	TV	News-papers	Maga-zines
Adults 18+	55%	50%	48%	41%
Men 18+	55	49	45	38
Women 18+	56	51	50	42
Income $45K+	53	41	50	52
Mgr./Adm./Prof.	54	49	48	48
College Grads.+	54	40	49	52

Radio Is The First Morning News Source

Morning (6AM-10AM)	Radio	TV	News-papers	Other/ None
Persons 12+	49%	29%	15%	7%
Teens 12–17	60	21	12	7
Adults 18+	48	30	16	6
Adults 18–34	53	28	13	6
Adults 25–54	50	29	16	5
College Grads.	46	27	22	5
Prof./Mgr. Males	55	19	20	6
F/T Working Women	56	27	11	6
$50K+ Income	49	28	18	5

Radio Is The Major Source of News

Morning (6AM-10AM)	Radio	TV	News-papers	Other/ None
Persons 12+	42%	31%	18%	9%
Teens 12–17	54	29	9	8
Adults 18+	41	31	19	9
Adults 18–34	45	28	20	7
Adults 25–54	43	29	20	8
College Grads.	38	24	30	8
Prof./Mgr. Males	48	16	27	9
F/T Working Women	49	28	15	8
$50K+ Income	45	21	27	7

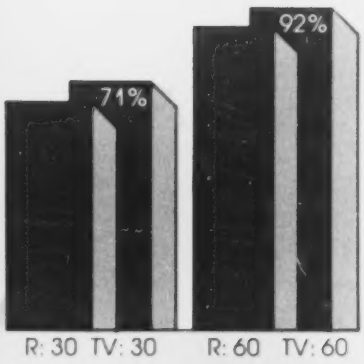
Radio Is The First News Source At Midday

Midday (10AM-3PM)	Radio	TV	News-papers	Other/ None
Persons 12+	36%	24%	14%	26%
Teens 12-17	30	24	17	29
Adults 18+	37	24	14	25
Adults 18-34	43	19	18	20
Adults 25-54	41	18	15	26
College Grads.	36	17	15	32
Prof./Mgr. Males	36	9	23	32
F/T Working Women	48	9	12	31
$50K+ Income	44	10	17	29

Radio Is The First Source For Local Emergency News

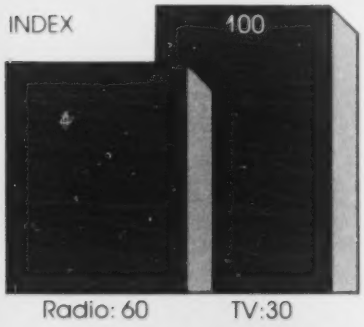
	Radio	TV	Other/ None
Persons 12+	50%	48%	2%
Teens 12-17	50	49	1
Adults 18+	50	48	2
Adults 18-34	50	49	1
Adults 25-54	54	44	2
College Grads.	56	42	2
Prof./Mgr. Males	57	40	3
F/T Working Women	51	47	2
$50K+ Income	60	37	3

Radio Is Intrusive



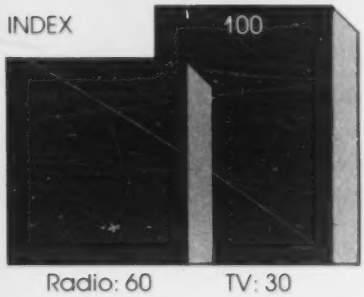
In Aided Recall Test Radio 60 Second Spots Score Better Than TV 30s

The Pretesting Company measures commercial recall after respondents have been exposed to commercials two times during a "real life" setting. Using a disguised exposure testing approach the respondent is not aware of the purpose of the test. The scores show total aided recall of the two exposures during a 15-minute program. (36 pairs of Radio and TV commercials). Comparisons of comparable length spots showed radio reached over 90% as well as TV.



In Recall Tests Radio Commercials Score 79% Against Tv's Norm

Radio Recall Research measures 24-hour proven recall. Respondent is exposed to prepared Radio program, including commercials at interviewing center in shopping mall. Index represents widely accepted 24-hour recall norms for TV 30's of 24% over 1,500 separate radio tests.

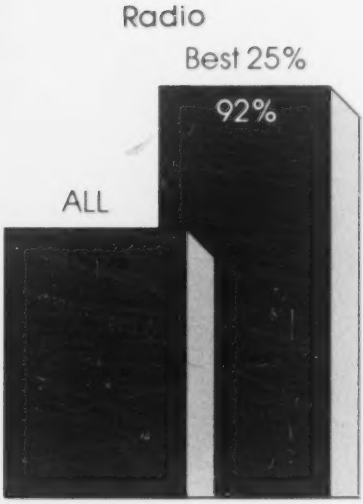


In Coupon-Redemption Tests Radio Delivered 75% of Tv's Impact

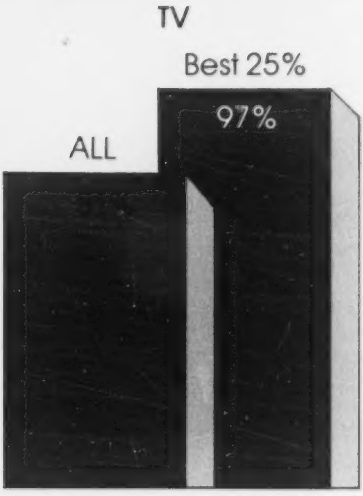
Teleresearch, Inc. tests coupon redemption at supermarkets and drug stores. Respondents are exposed to five non-competitive Radio commercials and given a booklet of cents-off coupons before entering store. Redemption index is developed by comparing test and control sample.

Good Radio Spots and Good TV Spots Compare Favorably

(Total Recall)



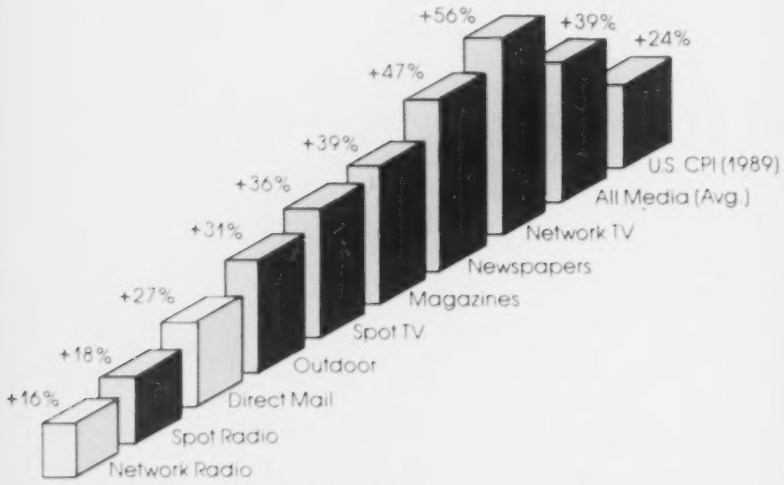
The Pretesting Company looked into a comparison of the best radio and the best TV commercials, based on recall. They examined the top 25% of each group and found the best radio spots were recalled about the same as the best TV spots.



The Pretesting Company analysis also examined people's attitudes toward products advertised. Again, the best radio spots compared very favorably with the best TV spots.

Radio's CPM Grew Less Than Any Other Medium

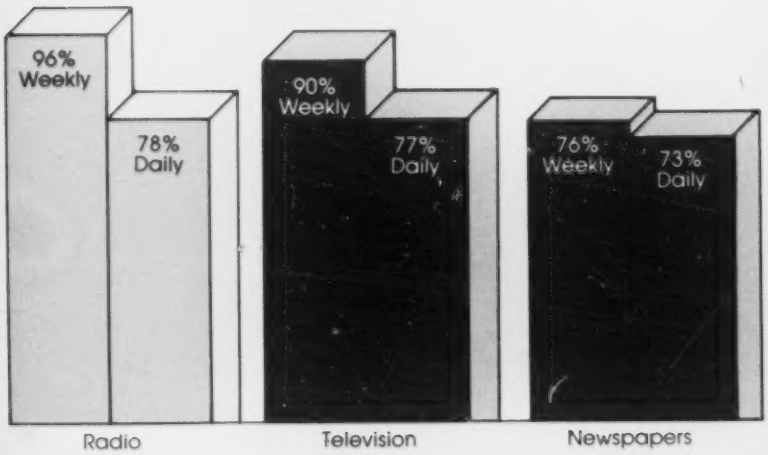
Cost-Per-Thousand Increase 1982-84* To 1989

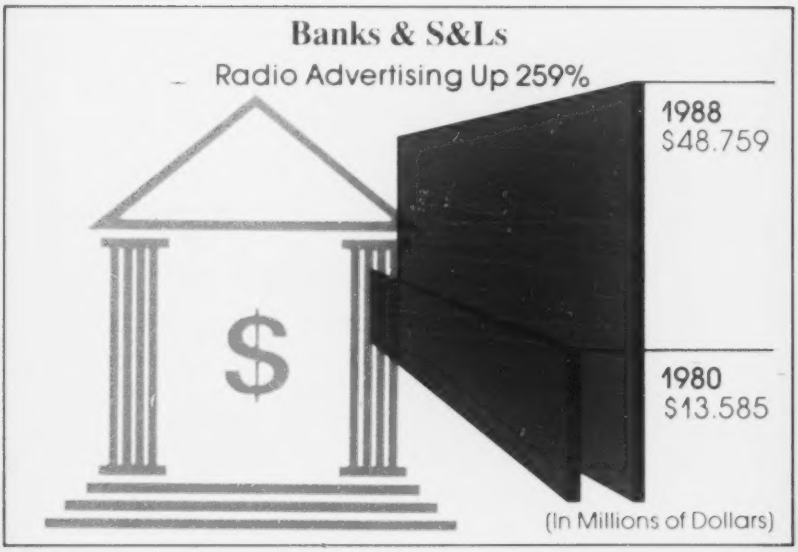


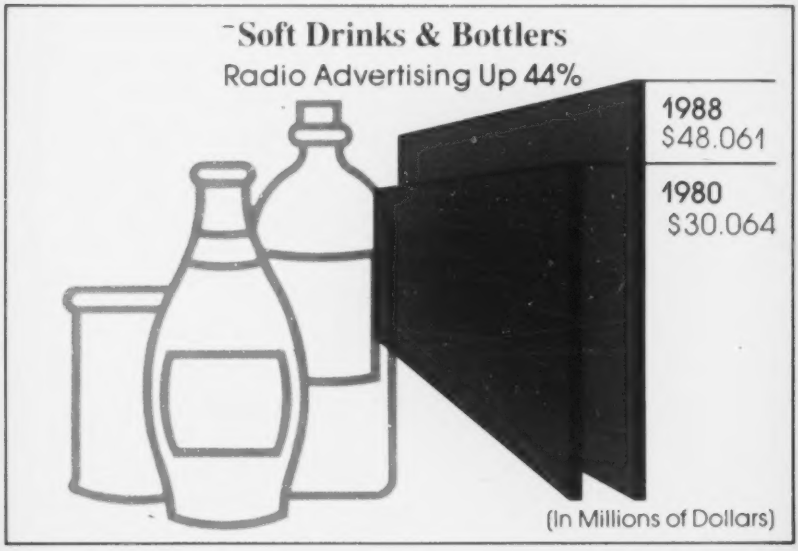
*1982-1984 is base period for Consumer Price Index

Daily And Weekly Radio Outreaches TV And Newspapers

Adults 18+

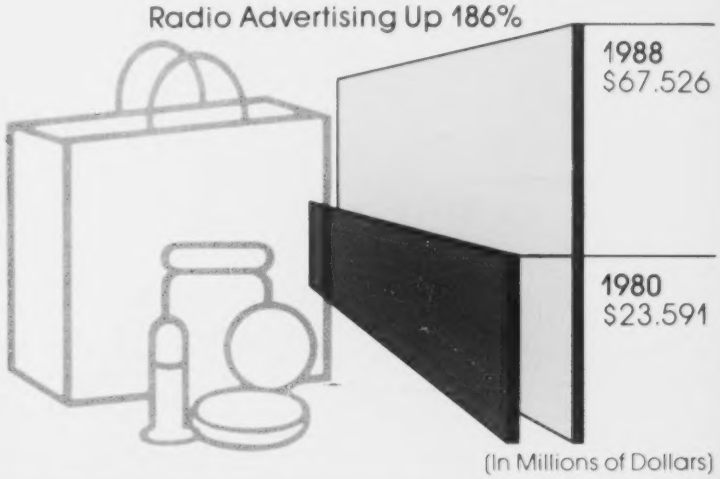



Banks & S&Ls
Radio Advertising Up 259%
1988
$48.759
1980
$13.585
$
(In Millions of Dollars)


Soft Drinks & Bottlers
Radio Advertising Up 44%
1988
$48.061
1980
$30.064
(In Millions of Dollars)

Department & Discount Stores

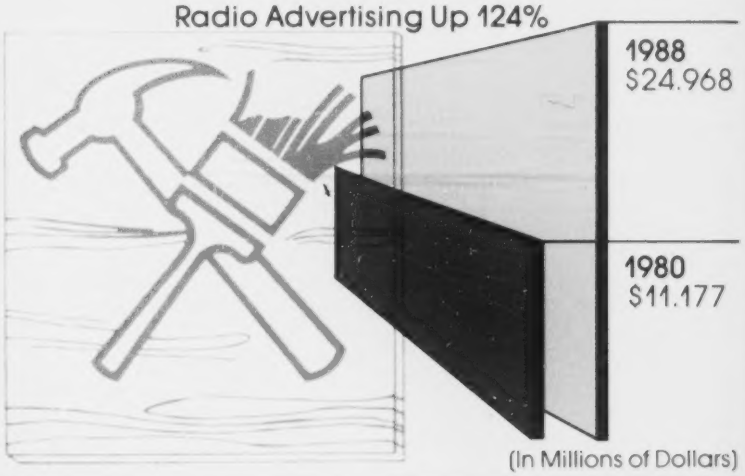
Radio Advertising Up 186%



(In Millions of Dollars)

Building/Hardware/Paint

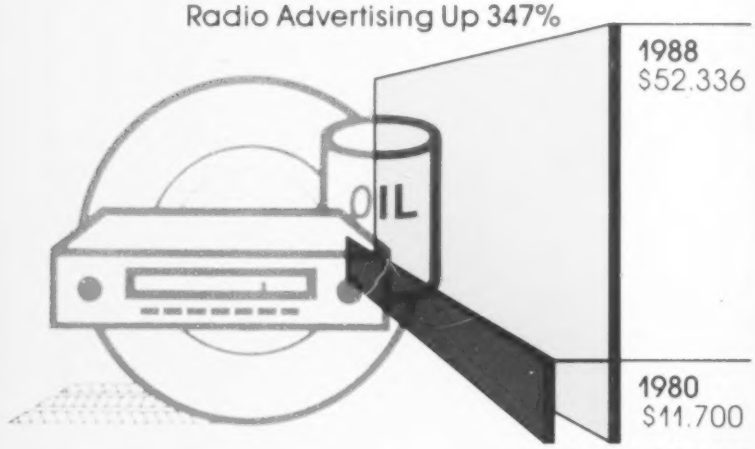
Radio Advertising Up 124%



(In Millions of Dollars)

Auto Aftermarket

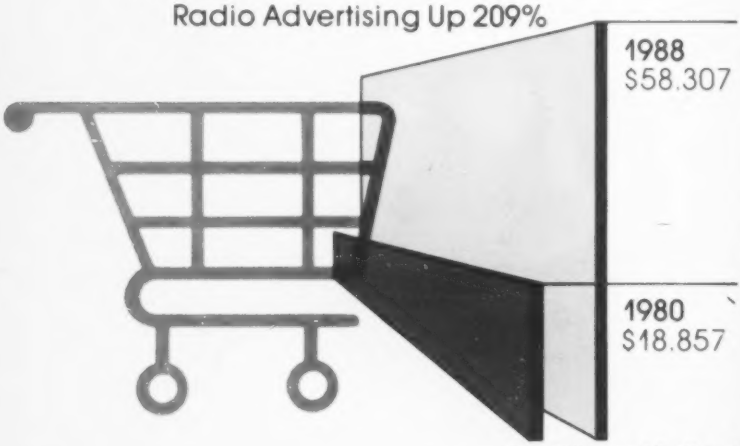
Radio Advertising Up 347%



(In Millions of Dollars)

Grocery Stores & Supermarkets

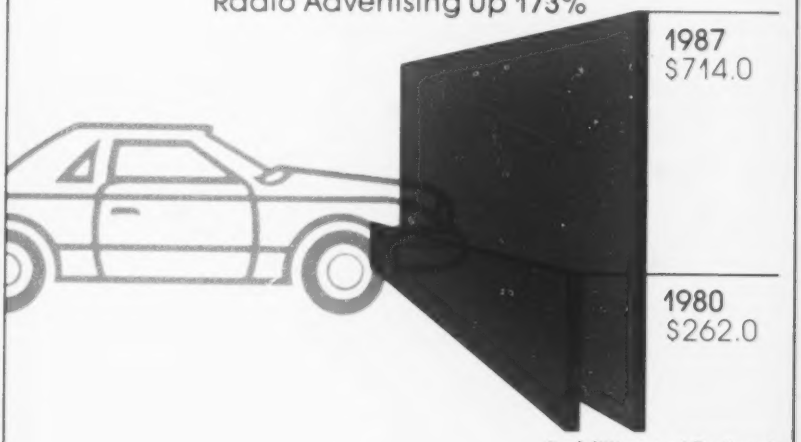
Radio Advertising Up 209%



(In Millions of Dollars)

Automobile Dealers

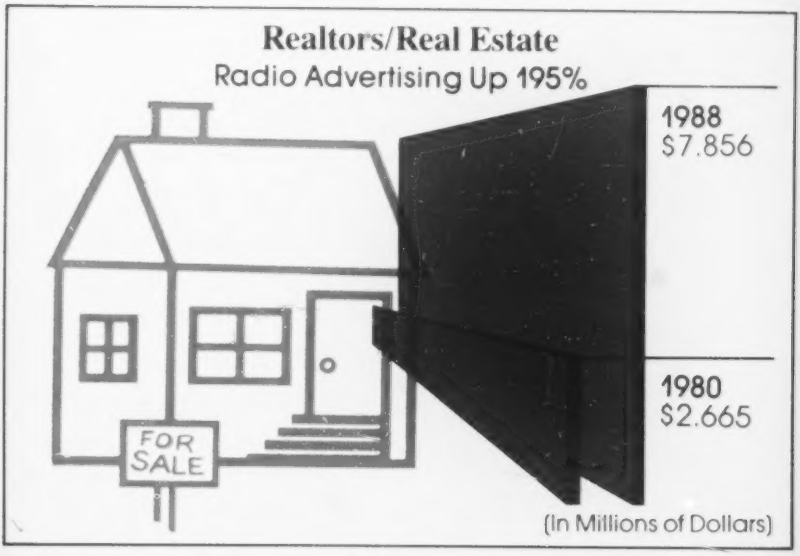
Radio Advertising Up 173%



(In Millions of Dollars)

Realtors/Real Estate

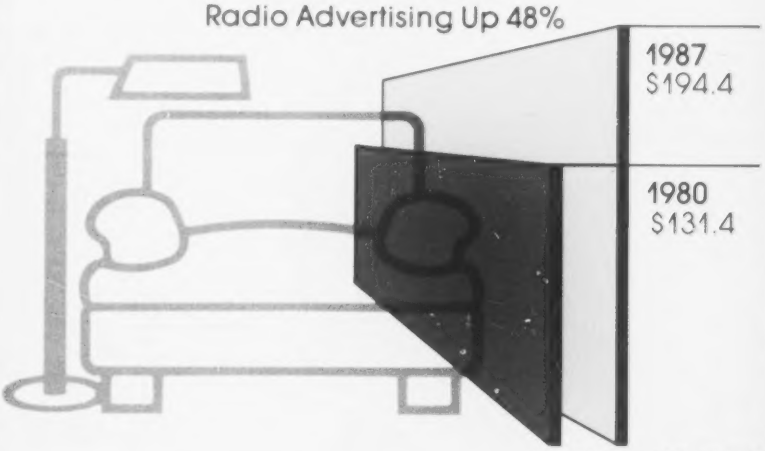
Radio Advertising Up 195%



(In Millions of Dollars)

Furniture Stores

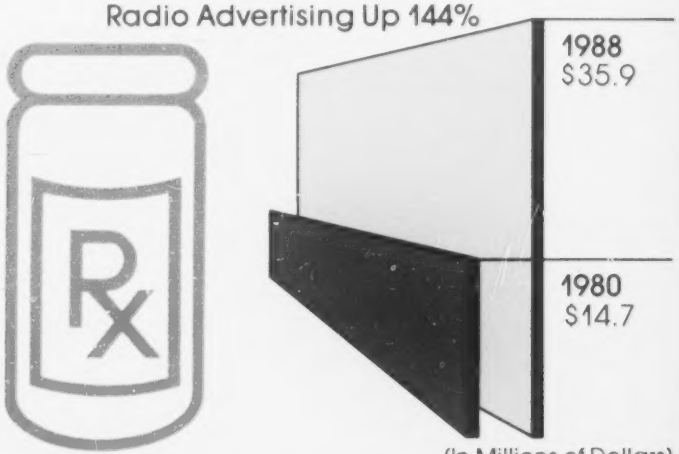
Radio Advertising Up 48%



(In Millions of Dollars)

Drug Products

Radio Advertising Up 144%



(In Millions of Dollars)

How AM/FM Stations Program By Format

There are 4,932 commercial AM stations and 4,155 commercial FM stations licensed by the Federal Communications Commission operating in the United States (as of 12/31/88). 1,374 non-commercial stations can also be found, primarily on the FM dial.

A programming format usually defines the kind of audience attracted to a particular radio station. The following formats are in use:

Percent of AM, FM stations in the top 100 markets programming each format.

Format	AM	FM	Total AM/FM
Adult contemporary	18.4%	21.0%	20.7%
Country	19.2	18.8	19.0
Rock/CHR	2.7	21.0	10.3
Album oriented rock (AOR)	0.9	9.4	4.4
Nostalgia/Big Band	9.0	0.7	5.6
Easy listening	2.0	7.8	4.4
Religious	12.9	3.9	9.2
News/talk	7.3	0.1	4.3
Black/R&B	1.7	0.5	1.2
Urban contemporary	2.4	3.6	2.9
Golden oldies	10.8	3.8	7.9
Spanish	3.6	0.7	2.4
Classical	0.4	1.6	0.9
All news	0.6	0.0	0.4
Soft contemporary (light)	0.8	2.8	1.6
Variety	1.0	0.0	0.6
New Age/Jazz	0.5	1.7	1.0

AM/FM Stations On Air

Year-End	AM Stations On Air	FM Stations On Air	Total Stations On Air
1988	4,932	4,155	9,087
1987	4,902	4,041	8,943
1986	4,863	3,944	8,807
1985	4,718	3,875	8,593
1980	4,589	3,282	7,871
1970	4,323	2,196	6,519
1960	3,539	815	4,354

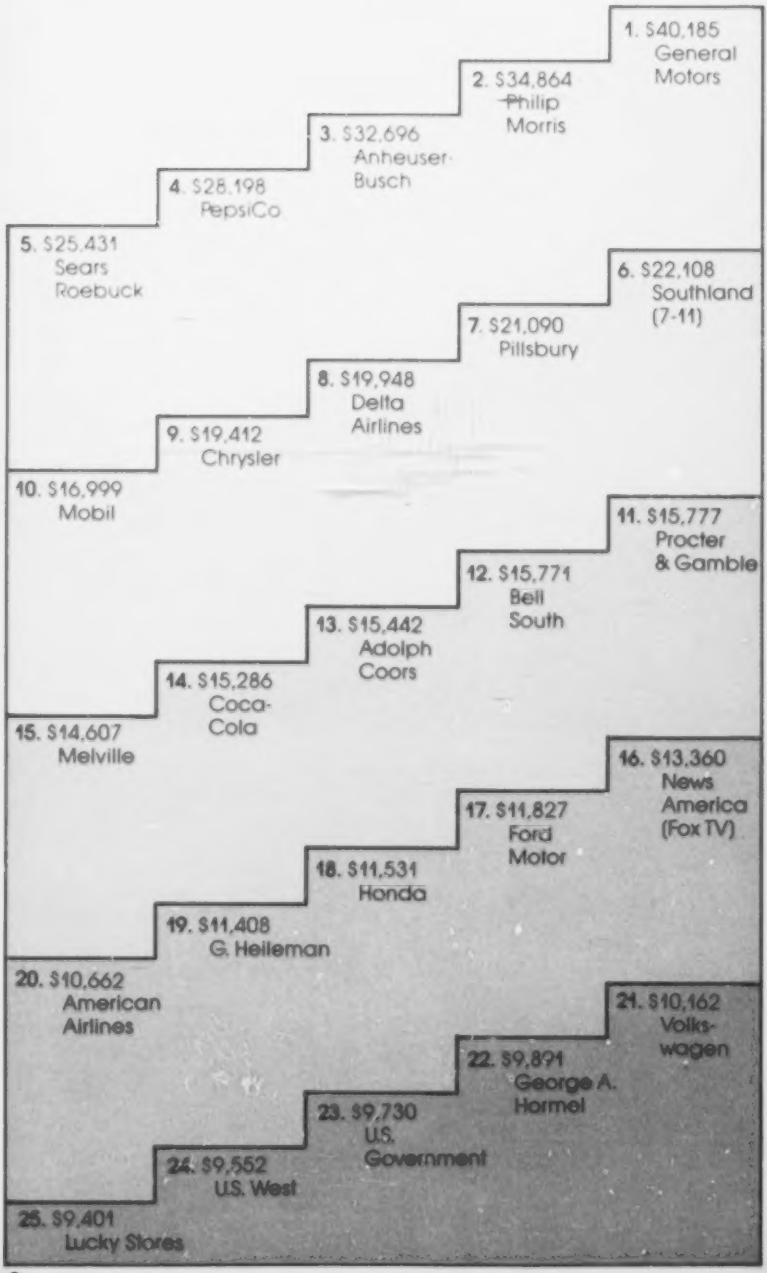
Commercial Loads & Newscast Lengths

AM Stations	1987	1985	Change
Avg. Commercial Mins./Hr.	10:00	10:06	−0:06
Avg. No. Spots/Hr.	12.7	12.7	N/C
Avg. Newscast Length	7:42	5:30	+2:12

FM Stations	1987	1985	Change
Avg. Commercial Mins./Hr.	9:18	9:17	+0:01
Avg. No. Spots/Hr.	11.7	11.4	+0.3
Avg. Newscast Length	3:30	3:42	−0:12

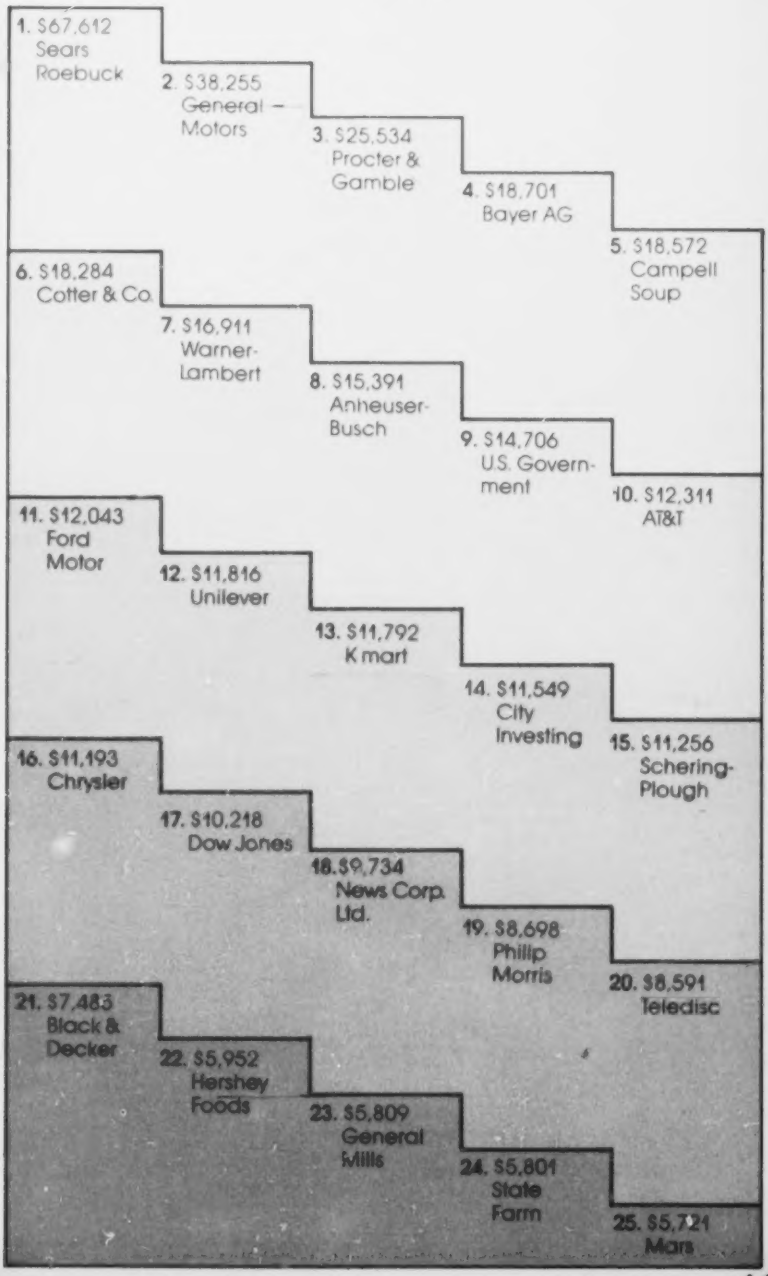
Radio's 1988 Top 25 Spot Advertisers

($000)



Radio's 1988 Top 25 Network Advertisers

($000)



Radio's National Advertisers Include All Major Businesses

1988 Ranking	Spot	Network	Spot And Network Combined
1. Food Products	19.1%	12.0%	17.5%
2. Automotive	12.1	10.5	11.7
3. Consumer Services	11.1	10.8	11.0
4. Travel & Shipping	8.3	5.5	7.7
5. Beer, Ale, Wine	9.0	2.5	7.6
6. Retail Stores (Nat'l)	5.7	8.5	6.3
7. Drugs & Health Care	3.7	10.3	5.1
8. Publishing & Media	3.2	6.9	4.0
9. Government	3.0	2.2	2.8
10. Gasoline & Oil	3.3	0.5	2.7
11. Apparel	3.0	0.4	2.4
12. Soft Drinks & Water	3.0	0.1	2.4
13. Computers & Office Products	1.7	2.8	1.9
14. Cosmetics & Toiletries	1.2	4.4	1.9
15. Entertainment & Amusement	1.8	0.5	1.5
16. Home Furn./Appliances	1.3	2.1	1.5
17. Consumer Electronics	0.7	4.3	1.5
18. Building/Hardware/Paint	1.5	1.0	1.4
19. Confections	0.5	4.8	1.4
20. Agricultural & Garden	1.3	0.8	1.2
21. Optical & Photo	1.1	0.4	0.9
22. Sporting Goods & Toys	0.9	0.2	0.8
23. Jewelry	0.8	0.1	0.7
24. Soaps & Cleansers	0.8	0.6	0.6
25. All Others	1.9	7.8	3.5
	100.0%	100.0%	100.0%

Local Radio Advertisers Include A Wide Range of Businesses

Share of Expenditures

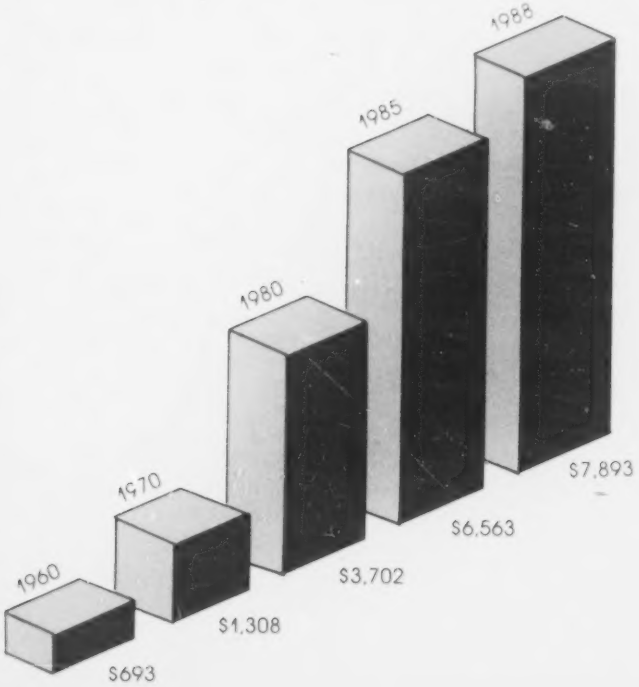
Rank	Total	Market Size: 1M+	250K-1M	50K-250K	Under 50K
1. Auto Dealers	10.7%	11.1%	11.2%	10.9%	10.2%
2. Dept. Stores	8.4	9.4	8.6	7.9	8.1
3. Banks	8.0	6.5	6.6	8.3	9.1
4. Clothing Stores	7.7	7.2	7.4	7.6	8.1
5. Restaurants	7.0	6.4	7.7	7.2	6.8
6. Supermarkets	6.7	6.4	6.0	5.3	8.1
7. Furniture Stores	6.4	4.7	6.6	6.2	7.3
8. Bottlers	5.9	6.0	6.5	6.9	4.9
9. Appliance Stores	4.9	3.5	5.2	5.0	5.2
10. Savings & Loans	4.2	5.0	3.6	4.4	3.9
11. Shopping Centers	3.3	4.2	3.6	3.8	2.4
12. Jewelers	3.3	3.2	3.1	3.6	3.3
13. Theaters	3.3	6.7	4.1	3.1	1.4
14. Lumber Dealers	2.8	1.0	1.9	3.0	4.0
15. TBA Stores	2.8	2.9	3.3	2.6	2.6
16. Drug Stores	2.5	2.2	1.6	2.3	3.4
17. Shoe Stores	2.0	1.2	1.8	2.1	2.3
18. Entertainment	1.7	2.6	2.5	1.8	0.7
19. Agricultural	1.3	0.1	0.7	1.6	1.9
20. Stereo/Record Stores	1.2	2.8	2.0	1.0	0.2
21. Other Financial	1.2	1.5	1.0	1.1	1.1
22. Religion	0.6	0.2	1.3	0.7	0.3
23. Real Estate	0.5	0.8	0.2	0.6	0.5
24. All Others	3.6	4.4	3.5	3.0	4.2
	100.0%	100.0%	100.0%	100.0%	100.0%

Radio's Revenues Are Growing

Millions of Dollars

Year	Spot	Local	Network	Total
1988	$1,402	$6,109	$382	$7,893
1987	1,315	5,605	371	7,292
1986	1,333	5,313	380	7,026
1985	1,319	4,915	329	6,563
1984	1,184	4,412	288	5,884

Radio Revenues Have Grown Dramatically Since 1960



Glossary
Key Terms And Formulas

A wealth of terminology has come to describe the many dimensions of radio audience research. As new buying and planning techniques are developed, new terms are added to the vocabulary and even established terms take on new meanings.

Audience Research Terms

Average Quarter-Hour Audience (AQH Persons) An average of the number of people listening for at least five minutes in each quarter-hour over a specified period of time. In modern radio average quarter-hour measurement should be considered a measure of Total Time Spent Listening (see below).

Average Quarter-Hour Rating (AQH Rating) Average Quarter-Hour Audience expressed as a percentage of the population being measured.*
AQH PERSONS ÷ POPULATION = AQH RATING

Share Of Audience (Share) The percentage of those listening to Radio in the AQH that are listening to a particular station.

AQH PERSONS/ONE STATION ÷ AQH PERSONS/RADIO = SHARE

Because the AQH actually reflects Total Time Spent Listening, Share Of Audience is the share of Total Time Spent Listening to Radio.

Cumulative Audience (Cume Persons) Also called Unduplicated Audience, it is the number of different people listening at least five minutes during a specified period of time. Cume Audience is the potential group that can be exposed to advertising on a radio station, just as readership is the potential exposure group for a magazine or newspaper.

Cumulative Rating (Cume Rating) Cumulative Audience expressed as a percentage of the population being measured.*

CUME PERSONS ÷ POPULATION = CUME RATING

Average Time Spent Listening (TSL) The time spent listening by the average person who listens to Radio or to a station.

TTSL ÷ CUME PERSONS = TSL

Average Time Spent Listening is an indicator of audience availability to advertising messages. The more time spent listening, the greater opportunity for exposure and ability to develop frequency.

Schedule Measurement Terms

Reach The number of different people who are exposed to a schedule of announcements, i.e., those listening during a quarter-hour when announcements are aired.

Reach can also be expressed as a Rating (percentage of the population being measured).

PERSONS REACHED ÷ POPULATION = REACH RATING

Gross Impressions The total number of exposures to a schedule of announcements. Not a measure of the number of different people exposed to a commercial.

AQH PERSONS × NUMBER OF ANNOUNCEMENTS =
GROSS IMPRESSIONS

Frequency The average number of times the audience reached by an advertising schedule (those listening during a quarter-hour when an announcement is aired) is exposed to a commercial.

GROSS IMPRESSIONS ÷ REACH = FREQUENCY

Gross Rating Points (GRPs) Gross Impressions expressed as a percentage of the population being measured.* One Rating Point equals one percent of the population.

GROSS IMPRESSIONS ÷ POPULATION = GRPs

It can also be derived by combining AQH Ratings:

AQH RATING × NUMBER OF ANNOUNCEMENTS = GRPs

Cost Per Thousand (CPM) The basic term to express Radio's unit cost. It establishes 1000 as the basic unit for comparing Radio values. Most frequently used to compare the cost of 1000 Gross Impressions on different stations, it is also used to compare the cost of reaching 1000 people.

$$\frac{\text{SCHEDULE COST}}{\text{GROSS IMPRESSIONS (IN THOUSANDS)}} = \text{CPM}$$

Cost Per Rating Point (CPP) An expression of Radio's unit cost using a Rating Point, which is one percent of the population being measured*. Cost Per Rating Point is often used for planning Radio in conjunction with GRPs.

$$\frac{\text{SCHEDULE COST}}{\text{GROSS RATING POINTS}} = \text{CPP}$$

Reach/Frequency Evaluations

Reach/Frequency Formulas There are three factors in any Reach/Frequency formula: 1) Reach, 2) Frequency and 3) GRPs. Their relationship is expressed in these formulas, with any two factors predicting the third:

REACH × FREQUENCY = GRPs
GRPs ÷ FREQUENCY = REACH
GRPs ÷ REACH = FREQUENCY

Example: If 100 GRPs are purchased and the advertiser has determined a 4 Frequency is necessary, the Reach will be 25. These formulas make Radio planning extremely flexible.

Effective Frequency The minimum level of frequency—number of exposures—determined to be effective in achieving the goals of an advertising campaign (e.g., awareness, recall, sales, etc.). This level will vary with individual products or services and the marketing objectives of the campaign.

Frequency Distribution A tabulation separating those reached by a schedule, according to their minimum levels of exposure: 2 or more times, 3 or more times, 4 or more times, etc.

Effective Reach The number of people reached by a schedule at the pre-determined level of Effective Frequency.

Source Appendix

2 Radios in Use: 1988-89 Data based on special Arbitron National Study 11/87, conducted for RAB. Prior years are RAB estimates based on Electronic Industries Association (EIA) set sales. Households With Radio: 1987 Arbitron Study. Prior years are RAB projections based on U.S. Census Bureau HH count (year-end). Radios Sold Annually: Dealerscope Merchandising, 1988; EIA, previous years.

3 5.6 radios per HH, 99% of all HH's, 343 million sets, 125 million battery sets, 79% Analog, 21% digital: Special Arbitron National Study conducted for RAB. $2.66 billion spent on new radios: Dealerscope Merchandising, 1988, 78% of HH's have: EIA, 1980, 38.8 Million sold; Dealerscope Merchandising, 1988. Rooms with Radio: RADAR, 1980. Number of Radios by location: Special Arbitron National Study 11/87, conducted for RAB.

4 RADAR 38, Fall 1988, Volume 1.

5 Radio At Home: RADAR 38, Fall 1988, Volume 1. Walk-alongs: R.H. Bruskin, "Media Targeting For The 90's," 1986. Set Sales: Dealerscope Merchandising Magazine, 1986-88.

6 95% have radio: RAB estimate based on Federal Hwy. Administration car count, 1987. 97% of commuters' cars, 86% reached: R.H. Bruskin, Media Targeting For The 90's, 1986. 99% of used cars: Hertz, 1979. 98% of fleet cars: Nat'l Ass'n. of Fleet Administration, 1980. 82% of all Travel: U.S. Dep't. of Transportation consumer survey, 1983. 82% of Adults have drivers' licenses: Simmons Market Research Bureau, 1988. 88% are AM/FM, analog and digital, 68% listened in last 10 car trips: Special Aribitron National Study 11/87, conducted for RAB. Workers, Shoppers and Diners: R.H. Bruskin, Media Targeting For The 90's, 1986.

7 RADAR 38, Fall 1988, Volume 1.

8 R.H. Bruskin, Media Targeting For The 90's. Of those who have radio available, 2% did not answer if they owned or company owned radio.

9-13 All Data: RADAR 38, Fall 1988, Volume 1. All TSL's calculated using cume.

14 Seasonal Data: Radio-Average of Top 25 Arbitron markets measured four times a year in 1988, Volume 1. TV—Nielsen, 1988 from TvB time spent viewing. Radio—Adults 18+, Mon.-Sun., 6 AM-Mid. TV—Adults 18+, Mon.-Sun., 24 hrs. Location of Radio Listening—Top 25 Arbitron Metro Areas—Persons 12+.

15 Radio beats TV 5 AM-5 PM—Special top five market Metro Area analysis. New York, Los Angeles, San Francisco, Chicago, Philadelphia. TV average person viewing and radio AQH Rating-Arbitron, Fall 1988.

16 Arbitron Nationwide, Spring '88—Provided by CapCities/ABC.

17 Arbitron—Special Tabulation based on 10 ethnically controlled Black markets, 1988.

18 Arbitron—Special Tabulation based on 10 ethnically controlled Hispanic markets, 1988.

19 RADAR 38, Fall 1988, Volume 1. All TSL's calculated using cume.

20 Arbitron, Fall '88 selected markets are: 1-10 Chicago, 11-25 St. Louis, 25-50 Memphis, 51-75 Albany-Schenectady-Troy, 76-100 Chattanooga, 101-150 Savannah, 151-200 Tallahassee, 200+ Minot.

21 Special Tabulation for RAB by Simmons Market Research Bureau, 1988.

Source Appendix

22 R.H. Bruskin, Media Targeting For The 90's, 1986.

23-26 All Data: R.H. Bruskin, Media Targeting For The 90's, 1986. Weekly reach and TSL, M-S 6AM-12MID.

27 National Arbitron Study based on 1523 Adults 18+, November 1987.

28-29 All Data: R.H. Bruskin, Media Targeting For The 90's, 1986.

30 The Pretesting Company 1985. Radio Recall Research 1985. Teleresearch, Inc. 1978.

31 The Pretesting Company, 1987, special tabulation.

32 CPM Indices: McCann-Erickson. Radio Daily and Weekly Reach: RADAR 38, Fall 1988, Volume I. TV—1987-88 TV Basics report (men and women averages from TvB). Newspapers—R.H. Bruskin, Media Targeting For The 90's, 1986.

33-37 Compiled from RER and trade association sources.

38 Radio Stations operating: FCC 1/89. Format Data prepared by Radio Information Center, 3/89, based on 5,574 stations.

39 Station Counts: FCC, year-end. Commercial loads, Newscast lengths: National Association of Broadcasters Programming Survey, 1987.

40 All Data: Radio Expenditure Reports, 1988.

41 LNA/BAR, 1988.

42 RER (spot) and LNA/BAR (network). Averaged and weighted by RAB.

43 RAB Member survey, 1980.

44 1983-1988: RAB estimates based on RER, Radio Network Ass'n., RAB Local Business Barometer. 1980 and before: FCC.

Radio Advertising Bureau, Inc.
304 Park Ave. So., New York, NY 10010 (212) 254-4800
Offices: Detroit, Chicago, Los Angeles